

**KC-11** (06-01-02)



<sup>1</sup> Broker Name: \_\_\_\_\_

<sup>2</sup> Effective Date: \_\_\_\_\_

UNITED  
STATES  
DEPARTMENT OF  
AGRICULTURE

## **BROKERAGE AGREEMENT FOR THE TRANSPORTATION OF USDA COMMODITIES**

# **BROKERAGE AGREEMENT for the TRANSPORTATION of USDA COMMODITIES**

June 1, 2002

## **Purpose**

This **Brokerage Agreement** (Agreement) is to establish the transportation service needs of the United States Department of Agriculture (USDA), Farm Service Agency, Kansas City Commodity Office (KCCO), operating as Commodity Credit Corporation, for the brokered movement of its freight. A company wishing to conduct transportation brokerage service(s) for KCCO must complete this Agreement in its entirety. The Agreement is intended to ensure that the applicant has both the willingness and the capability to meet the needs of KCCO and to establish the rules for which the broker can expect compensation. This Agreement applies to shipments for which KCCO has the responsibility for paying freight charges. KCCO may amend this agreement when needed. If amendments are made, KCCO will mail changes to the broker for acceptance before implementation. This agreement supplements the (1) **Standard Rules Tender (SRT) Governing Motor Carrier Transportation, and/or** (2) **Standard Operating Agreement (SOA) Governing Intermodal Transportation** currently on file with the USDA.

## **Definition**

A broker is defined at 49 USC 13102(2)\* as:

Broker - The term "broker" means a person, other than a motor carrier or an employee or agent of a motor carrier, that as a principal or agent sells, offers for sale, negotiates for, or holds itself out by solicitation, advertisement, or otherwise as selling, providing, or arranging for, transportation by motor carrier for compensation.

For the purpose of this Agreement, a broker's obligations shall include, but not be limited to, that of:

A company which, for compensation, performs or arranges transportation services for KCCO to carry and deliver freight safely, with reasonable diligence according to the rules and conditions of USDA's SRT and/or SOA in effect and on file with KCCO. Shipments handled under the terms of this **Brokerage Agreement** shall be subject to the terms of USDA's SRT and/or SOA. In other words, all responsibilities of a motor carrier or intermodal marketing company shall apply to a brokered shipment including, but not limited to, rates and liability.

*\* The complete text of the United States Code (USC) and the Code of Federal Regulations (CFR) may be accessed on the Internet at <http://www.access.gpo.gov>.*

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## **Rules**

### **Item 10      Approval and Revocation**

The broker understands that its initial approval and retention of approval are contingent upon:

- establishing and maintaining this agreement and service requirements to KCCO's satisfaction
- the broker's agreement and certification that neither the owners, company, corporate officials, nor any affiliation or subsidiary thereof are currently debarred or suspended, or have been placed in non-use by any government agency
- maintaining a current SRT or SOA on file with KCCO.

### **Item 20      Lawful Performance**

The broker agrees:

- to comply with all applicable Federal, State, municipal and other local laws and regulations
- that no fines, charges, or assessment for overloaded vehicles or other violations of applicable laws and regulations will be passed to, or be paid by any agency of the Federal Government
- to keep current and on file with KCCO a designated 24-hour on-call point of contact in the event of an emergency
- to not use any carrier which has been debarred or suspended by any government agency.

KCCO agrees to:

- pay the broker for transportation services as stipulated in Item 140 of the SRT and Item 160 in the SOA
- file loss and/or damage claims and freight overcharge claims as outlined in the Item 150 of the SRT and Item 170 in the SOA
- tender freight in compliance with this (1) Broker Agreement, (2) SRT, (3) SOA and (4) 49 CFR – Transportation.

### **Item 30      Safety**

The broker agrees not to use any carrier that has an "unsatisfactory" safety rating with the Federal Motor Carrier Safety Administration (FMCSA). If the shipment is intrastate the broker agrees not to use any carrier that is not in compliance with the appropriate state agency.

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## **Item 40      Operating Authority and Insurance**

To be eligible to broker shipments for KCCO the broker must operate under the same:

- company name already on file with KCCO as submitted on its SOA and/or SRT
- company name for which the Federal Motor Carrier Safety Administration (FMCSA) issued the brokerage authority
- Federal Employer Identification Number (EIN) as submitted on its SOA and/or SRT on file with the KCCO.

Cite appropriate FMCSA Brokerage Authority:

3 FMCSA (or ICC) Docket No. \_\_\_\_\_

Brokers arranging for movement of USDA freight are expected to comply with regulations set out in 49 CFR 387, Subpart C – Surety Bonds and Policies of Insurance for Motor Carriers and Property Brokers.

## **Item 50      Equipment**

The broker agrees to ensure equipment is spotted for loading or unloading at the time and place requested. KCCO and/or the shipper reserves the right to reject the utilization of any equipment placed for loading if it does not meet specifications and requirements for the shipment. The broker agrees that equipment utilized will insure delivery of product in good order. Insulated equipment should be utilized when necessary. All equipment furnished shall be in suitable condition for commodities shipped. All freight will be delivered in the same vehicle utilized for pickup at origin, except in the case of circumstances beyond the broker's control. In such circumstances, **USDA, EOD, TCAB** at 816-926-6552, will be immediately notified. Exclusive use of vehicle will not be authorized by USDA.

## **Item 60      Shipment**

The broker agrees to provide, at no additional cost to KCCO, the status of any shipment within 24 hours after an inquiry is made.

## **Item 70      Shipper Notification**

The broker agrees to contact the shipper and notify it of the motor carrier performing the transportation. Proof of such notification shall be kept on file, and available upon KCCO's request, for no less than one (1) year.

## **Item 80      Subcontractors**

When the broker arranges for transportation services for USDA it is responsible to ensure that each shipment moves:

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- from origin to destination in the same conveyance
- from origin to destination by the same transportation company to which the shipment was tendered
- without additional subcontracting of transportation services.

### **Item 90      Terms of the Agreement**

When brokering a load, the broker agrees to have each shipment governed by the terms and conditions of either (1) SRT, or (2) SOA. The intent of this agreement is to allow USDA authorized motor carriers and intermodal marketing companies to become total transportation service providers, by authorizing them to broker loads entrusted to their care. Responsibility remains the same as if the shipment was handled by the authorized motor carrier or intermodal marketing company.

The broker agrees that it will be held liable for the safety, timeliness and condition of the product being shipped without regard to its agreement with any other carrier(s) that is involved in the transportation of KCCO commodities. And:

- the terms of this Agreement will be applicable to each shipment
- the Agreement shall be effective from the date of approval by KCCO until terminated
- the Agreement may be terminated by either the broker or KCCO upon receipt of written notice by either party. Termination could be for cause or at the will of either party. If KCCO's termination is for cause, the broker will be given 30 days to petition KCCO to explain and correct the cause to KCCO's satisfaction
- nothing in this Agreement will be construed as a guarantee by KCCO of traffic volume or minimum dollar compensation for the period in which it is in effect
- the terms of this Agreement will not prevent different or additional requirements with respect to negotiated agreements or added requirements for other types of service.

### **Item 100      Contacts**

Questions regarding the planned movement and the submission of offers on KCCO shipments should be directed to Mr. Ken Martin, 816-926-6552. Questions regarding overcharge and loss and damage claims and/or payment for services rendered should be directed to Mr. Paul Cacciatore, 816-926-6547. KCCO's fax number is 816-823-3059.

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## **4 Broker Certification**

1. 4a Broker Name:

\_\_\_\_\_

2. I am authorized to and do hereby offer the United States Department of Agriculture, herein called USDA, pursuant to 49 USC 13712, the transportation services herein described on a continuing basis effective on the date shown on the title page of this tender, subject to the rates and charges, rules and provisions herein to which the undersigned broker is party as of (date of agreement) 4b \_\_\_\_\_.

## **Signature of Party Representing Broker**

\_\_\_\_\_  
4c Signature

\_\_\_\_\_  
4d Name and Title

\_\_\_\_\_  
4e Address

\_\_\_\_\_  
4f Telephone Number

\_\_\_\_\_  
4g Fax Number

\_\_\_\_\_  
4h E-mail Address

## Privacy Act and Public Burden Statements

The following statements are made in accordance with the Privacy Act of 1974 (5 USC 552a) and the Paperwork Reduction Act of 1995, as amended. The authority for requesting the following information is 49 USC 13712 (Government Traffic). The information will be used to establish the brokers needs of USDA/FSA/KCCO for the movement of its freight; to ensure that brokers providing transportation service have both the willingness and capability to meet these needs. Failure to furnish the requested information will result in a broker to be considered non-responsive. This information may be provided to other agencies, IRS, Department of Justice, or other State and Federal law enforcement agencies, and in response to a court magistrate or administrative tribunal. The provisions of criminal and civil fraud statutes, including 18 USC 286, 287, 371, 641, 651, 1001; 15 USC 714m; and 31 USC 3729, may be applicable to the information provided.

Federal Agencies may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid Office of Management and Budget (OMB) control number. Public reporting burden for this collection of information is estimated to average 60 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Department of Agriculture, Clearance Officer, OIRM (OMB No. 0560-0224), Stop 7630, Washington, D.C. 20250-7630. Return this completed **Brokerage Agreement for the Transportation of USDA Commodities** to the **Kansas City Commodity Office, Export Operations Division - Mail Stop 8738, P.O. Box 419205, Kansas City, MO 64141-6205.**

## USDA Nondiscrimination Statement

The U. S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs). Persons with disabilities who require alternative means for communication of program information (Braille, large print, audio tape, etc.). should contact USDA's TARGET Center at 202-720-2600 (voice or TDD).

To file a complaint of discrimination, write USDA Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, D.C. 20250-9410 or call 202-720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.